
Accounts Payable

Overview

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Introduction The Accounts Payable section contains policies and procedures that are to be followed by the BUS-1 Accounts Payable (A/P) Team upon receipt of a vendor's invoice for payment for an item(s) or service(s) provided to the Laboratory.

Paying an Invoice

Introduction Frequently, a Laboratory requester initiates a purchase by completing a *Purchase Request* form. A completed *Purchase Request* is sent to Procurement to place a purchase order (PO). Once an order is placed and the vendor performs or delivers the item, the vendor sends an invoice A/P, which is responsible for paying the invoice.

Policy Laboratory invoices will be paid using the process described herein.

Procedure The following steps are to be taken in paying an invoice:

Step	Action
1	Upon receipt in A/P, the invoice is voucher stamped with the date received, and the image is scanned into the imaging system (POIMS). It is reviewed for allowable costs (refer to the following section on Allowable Costs) and paid/costed to the cost codes provided on the PO by the requester or contract specialist.
2	If the invoice requires an approval signature(s) prior to payment, as indicated by codes on the PO, the BUS-1 invoice processor stamps the invoice with a request for approval and sends it to the individual (requester or contract specialist) whose signature is required.
3	If signatures are required from both the requester and the contract specialist, the invoice processor sends the invoice to the contract specialist, who then copies the invoice and sends the copy to the requester.

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Paying an Invoice, Continued

Procedure (continued)

Step	Action
4	If required, the requester signs the invoice indicating that the vendor's performance was satisfactory and returns it to the contract specialist.
5	If required, the contract specialist signs the invoice verifying that it complies with the contract terms and returns it to A/P.
6	Upon receipt of the approved invoice, the invoice processor enters the invoice into the A/P system, which cuts a check on the due date. Payments can also be made using the following: <ul style="list-style-type: none">• <i>Small Purchase Reimbursement</i> form;• <i>1-Year Subscription Request</i> form; or• <i>Request for Miscellaneous Payment</i> form (forthcoming). <p>Note: These forms can be found on the Web at http://iosun.lanl.gov:7000/dev1/htmls/miscform.html.</p>
7	A/P mails the check to the remittance address indicated on the invoice.

Allowable Costs

Introduction Since a majority of the Laboratory's funding is received from DOE and other government agencies (e.g., DoD), all costs must be reviewed for meeting government standards of allowability before they are paid by the Laboratory. Most purchases made in support of the Laboratory mission are allowable. However, a few items are unallowable by the nature of the cost even if they support the DOE mission. If costs are determined to be unallowable, they must be paid by the employee, the vendor, or another entity. More in-depth information on this topic is available from BUS-1 at 7-4107.

Policy All costs to be passed to DOE must meet the following criteria:

- Be reasonable;
 - Provide sufficient benefit to the Laboratory (and therefore DOE); and
 - Be allowable under the University of California Prime Contract (refer to the following section, UC - DOE Contract: Costs and Expenses).
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Responsibilities Cost reasonableness and sufficient benefit to the Laboratory are to be determined by the requesting division.

BUS Division is to take the lead on determining the allowability of items under the Prime Contract because of the complexity of the issues (refer to the following section, UC - DOE Contract: Costs and Expenses).

BUS-5, Procurement, determines the allowability of items when purchase orders, including credit card orders, are placed.

BUS-1, Accounting, determines allowability in other situations.

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Allowable Costs, Continued

Unallowable costs

The following is a partial list unallowable cost items:

- **Advertising** designed to promote the University of California or the Laboratory or its products, including the cost of promotional memorabilia such as models, gifts, and souvenirs;
 - **Alcoholic beverages;**
 - **Commercial automobile rental** expense, except for employee travel or short-term use not to exceed 60 days (contact the BUS-1, Travel Team, for more information);
 - **Contributions and donations;**
 - **Interest**, such as interest on payments or interest on the cost of money (e.g., past due invoices);
 - **Memberships in civic and community organizations;**
 - **Memberships in trade, business, or professional organizations**, except as approved by the contracting officer (contact BUS-5, Procurement, for additional information);
 - **Personal items** such as food, clothing, and lodging. The exception is when these items are work required. For instance, meals and lodging are allowable when they are associated with work-required travel. Also, meals and occasionally lodging may be required for certain meetings when the work requirements dictate that the meeting must span a normal meal time. Clothing may be an allowable cost if it has been contaminated with radiation. Clothing is also an allowable cost if an employee is forced to work under unusual situations requiring certain garments, such as safety shoes, heavy jackets if working in extreme cold, etc.; and
 - **Professional certification**, with the exception of a job-required certification. For example, if attorneys are required to maintain their licenses, they can be reimbursed.
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UC - DOE Contract: Costs and Expenses

Introduction The following is an excerpt from the UC Prime Contract with DOE, Article VII, Financial Management, Clause 1, Costs And Expenses (Sept. 1991) - DEAR 970.5204-13. Cross references to the DOE contract model (DEAR) are indicated in **bold** type, and cross references to the federal contract model, Federal Acquisition Regulations (FAR), are indicated in *italics*.

Article VII

(a) Compensation for contractor's services. Except for the provisions of Article XVII, "Litigation, Claims and Indemnification," payment for the allowable costs as hereinafter defined shall constitute full and complete compensation for the performance of the work under this contract.

(b) (Not applicable)

(c) Allowable costs. The allowable cost of performing the work under this contract shall be the costs and expenses that are actually incurred by the contractor in the performance of the contract work in accordance with its terms, that are necessary or incident thereto, and are determined to be allowable pursuant to this paragraph (c). The determination of the allowability of cost hereunder shall be based on: (1) Reasonableness, including the exercise of prudent business judgment, as defined in paragraph (f) of this clause; (2) consistent application of generally accepted accounting principles and practices that result in equitable charges to the contract work; and (3) recognition of all exclusions and limitations set forth in this clause or as elsewhere provided in this contract as to types or amounts of items of cost. Allowable costs shall not include the cost of any item described as unallowable in paragraph (e) of this clause except as indicated therein. Failure to mention an item of cost specifically in paragraph (d) or paragraph (e) shall not imply either that it is allowable or that it is unallowable.

(d) Items of allowable cost. Subject to the other provisions of this clause, the following items of cost of work done under this contract shall be allowable to the extent indicated:

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UC - DOE Contract: Costs and Expenses, Continued

Article VII, continued

(1) Bonds and insurance (including self-insurance), as required by Article IX, Clause 6, "Required Bonds and Insurance-Exclusive of Government Property," and indemnification as provided in Article XVII "Litigation, Claims and Indemnification," of this contract. **(DEAR (d)(1))** (*FAR 31.205-4 & 31.205-19*)

(2) Communication costs, including telephone services, local and long-distance calls, telegrams, cablegrams, postage, and similar items. **(DEAR (d)(2))**

(3) Consulting services (including legal and accounting), and related expenses, as approved by the Contracting Officer, except as made unallowable by paragraphs (e)(16) and (e)(26). **(DEAR (d)(3))** (*FAR 31.205-33 & 31.205-47*)

(4) Litigation and claims expenses, costs and judgments including interest thereon, incurred in accordance with Article XVII, Clause 1, "Litigation and Claims," and Article XVII, Clause 4, "General Indemnity," of this contract. **(DEAR (d)(4))** (*FAR 31.205-47*)

(5) Losses and expenses (including settlements made with the consent of the Contracting Officer) sustained by the University in the performance of this contract, except the losses and expenses expressly made unallowable under other provisions of this contract. **(DEAR (d)(5) continues: ...“and certified in writing by the contracting officer to be reasonable”...)** (*FAR 31.205-16 & 31.205-23*)

(6) Materials, supplies, and equipment, including freight transportation, material handling, inspection, storage, salvage, and other usual expenses incident to the procurement, use and disposition thereof, subject to approvals required under other provisions of this contract. **(DEAR (d)(6))** (*FAR 31.205-26 & 31.205-45*)

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UC - DOE Contract: Costs and Expenses, Continued

Article VII,
continued

(7) Patents, purchased design, and royalty payments to the extent expressly provided for under other provisions in this contract or as approved by the Contracting Officer, and preparation of invention disclosures, reports and related documents, and searching the art to the extent necessary to make such invention disclosures in accordance with Article XII, Clause 1, "Patent Rights," of this contract. **(DEAR (d)(7))** (*FAR 31.205-30 & 31.205-37*)

(8) Laboratory employee personnel costs and related expenses incurred in accordance with the personnel appendix which is hereby incorporated by reference and made a part of this contract. It is specifically understood and agreed that said personnel appendix sets forth in detail personnel costs and related expenses to be allowable under this contract and is intended to document those personnel policies, practices and plans which have been found acceptable by the Contracting Officer. It is further understood and agreed that the University will advise DOE of any proposed changes in any matters covered by said policies, practices or plans which relate to this item of cost, and that the personnel appendix may be modified from time to time in writing by mutual agreement of the University and DOE without execution of an amendment to this contract for the purpose of effectuating any such changes in, or additions to, said personnel appendix as may be agreed upon by the parties. Such modifications shall be evidenced by execution of written numbered approval letters from the Contracting Officer or his representative. Types of Laboratory employee personnel costs and related expenses to be incorporated into the personnel appendix, or amendments thereto, are as follows: **(DEAR (d)(8))**

(i) Salaries and wages; bonuses and incentive compensation; overtime, shift differential, holiday, and other premium pay for time worked; nonwork time, including vacations, holidays, sick, funeral, military, jury, witness, and voting leave; salaries and wages to employees in their capacity as union stewards and committeemen for time spent in handling grievances, or serving on labor management (University) committees; (*FAR 31.205-6*)

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UC - DOE Contract: Costs and Expenses, Continued

Article VII,
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- (ii) Legally required contributions to old-age and survivors' insurance, unemployment compensation plans, and workers compensation plans, (whether or not covered by insurance); voluntary or agree-upon plans providing benefits for retirement, separation, life insurance, hospitalization, medical-surgical and unemployment (whether or not such plans are covered by insurance); (*FAR 31.206-6(j)*)
- (iii) Travel (except foreign travel, which requires specific approval in accordance with the Article VII, Clause 13, "Foreign Travel," of this contract); incidental subsistence and other allowances of Laboratory employees, in connection with performance of work under this contract (including new employees reporting for work and transfer of employees, the transfer of their household goods and effects and the travel and subsistence of their dependents); (*FAR 31.205-46*).
- (iv) Employee relations, welfare, morale, etc.; programs including incentive or suggestion awards; (*FAR 31.205-13 & FAR 31.205-21*)
- (v) Personnel training; including apprenticeship training programs designed to improved efficiency and productivity of contract operations, to develop needed skills, and to develop scientific and technical personnel in specialized fields required in the contract work; and **(DEAR (d)(8)(v) has additional "...training (except special education and training courses and research assignments calling for attendance at educational institutions which require specific approval by the contracting officer on a case-by-case basis); including..."**) (*FAR 31.205-44*)
- (vi) Recruitment of personnel (including help-wanted advertisement), including service of employment agencies at rates not in excess of standards commercial rates, employment office, travel of prospective employees at the request of the University for employment interviews. (*FAR 31.205-34*)
- (9) Repairs, maintenance, inspection, replacement, and disposal of Government-owned property and the restoration or clean-up of site and facilities. **(DEAR (d)(9) continues: "to the extent directed or approved by the contracting officer.")** (*FAR 31.205-16 & 31.205-24 & 31.205-31*)

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UC - DOE Contract: Costs and Expenses, Continued

Article VII,
continued

- (10) Subcontracts and purchase orders, including procurements from University-controlled sources, subject to approvals required by other provisions of this contract. **(DEAR (d)(10))** (*FAR 31.205-26*)
- (11) Subscriptions to trade, business, technical, and professional periodicals, as authorized through the University's annual budget process. **(DEAR (d)(11))** (*FAR 31.205-43(b)*)
- (12) Taxes, fees, and charges levied by public agencies which the University is required by law to pay, except those which are expressly made unallowable under other provisions of this contract. **(DEAR (d)(12))** (*FAR 31.205-41*)
- (13) Utility services, including electricity, gas, water, and sewerage. **(DEAR (d)(13))**
- (14) Indemnification of the Pension Benefit Guaranty Corporation, pursuant to the Employee Retirement Income Security Act of 1974, in accordance with FAR 31.205-6(j)(3)(iv). **(DEAR (d)(14))**
- (15) Establishment and maintenance of bank accounts in connection with the work hereunder, including, but not limited to: service charges, the cost of disbursing cash, necessary guards, cashiers, and paymasters. **(DEAR (d)(15) continues: "If payments are made by check, facilities and arrangements for cashing checks may be provided without expense to the employees, subject to the approval of the contracting officer.")**
- (16) Camp operations, to the extent approved by the Contracting Officer. **(DEAR (d)(16))**
- (17) Maintenance, inspection, repair, replacement, and transportation of construction plant and equipment to the extent not covered by rentals or insurance and as provided in rental agreements approved by the Contracting Officer. **(DEAR (d)(17))** (*FAR 31.205-24 & 31.205-45*)
- (18) Rental for construction plant and equipment rented by the University from others at rates and under written agreements approved by the Contracting Officer. **(DEAR (d)(18))** (*FAR 31.205-36*)

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UC - DOE Contract: Costs and Expenses, Continued

Article VII,
continued

(19) Costs and compensation associated with University management and operation of the Laboratory as described in Article V, Clauses 3, 4, 5, and 6, of this contract. **(Added, not in DEAR)**

(20) Costs for University conducted research and support as described in Article VIII, Clause 2, of this contract. **(Added, not in DEAR)** (*FAR 31.205-18*)

(21) Fines and penalties, except those expressly made unallowable under paragraph (e)(12) of this clause. **(Added, not in DEAR)** (*FAR 31.205-15*)

(22) Employee assistance programs; health or first-aid clinics; house or employee publications. **(DEAR (d)(8)(iv))** (*FAR 31.205-13*)

(23) Net cost of operating plant-site cafeteria, dining rooms, and canteens attributable to the performance of the contract. **(DEAR (d)(8)(vii))** (*FAR 31.205-13*)

(e) Items of unallowable costs. The following items of costs are unallowable under this contract to the extent indicated, except as may be otherwise approved in writing by the Contracting Officer or as provided elsewhere in this contract:

(1) Advertising and public relations costs designed to promote the University or the Laboratory or its products, including the costs of promotional items and memorabilia such as models, gifts and souvenirs, and the cost of memberships in civic and community organizations; except those advertising and public relations costs: **(DEAR (e)(1))** (*FAR 31.205-1*)

(i) Specifically required by the contract,

(ii) Approved in advance by the Contracting Officer as clearly in furtherance of work performed under the contract,

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UC - DOE Contract: Costs and Expenses, Continued

Article VII,
continued

(iii) That arise from requirements of the contract and that are exclusively for recruiting personnel, acquiring scarce items for contract performance, disposing of scrap or surplus materials, the transfer of federally owned or originated technology to State and local governments and to the private sector, or acquisition of contract-required supplies and services, or

(iv) Where the primary purpose of the activity is to facilitate contract performance in support of the DOE mission.

The term "designed to promote" does not include: the use of University or Laboratory name or logos in conjunction with correspondence and press releases or imprinted on materials to be used by Laboratory employees in the course of work performance, including, but not limited to stationery, binders, writing implements, displays, presentations, buttons identifying employees and/or their programs; the creation and display or performance of models, films, videotapes, audio presentations and the like, describing the technical, scientific, science education, technology transfer, and business affirmative action efforts or achievements of the Laboratory; the operation of museums and public access centers.

(2) Bad debts (including expenses of collection) and provisions for bad debts arising out of other business of the University. **(DEAR (e)(2))** (*FAR 31.205-3*).

(3) Proposal expenses and costs of proposals except in the conduct of the Work for Others program. **(DEAR (e)(3))** (*FAR 31.205-18*).

(4) Bonuses and similar compensation under any other name, which (i) are not pursuant to an agreement between the University and employee prior to the rendering of the services or an established plan consistently followed by the University, (ii) are in excess of those costs which are allowable by the Internal Revenue Code and regulations thereunder, or (iii) provide total compensation to an employee in excess of reasonable compensation for the services rendered. **(DEAR (e)(4))** (*FAR 31.205-6*)

(5) Central and branch office expenses of the University, except as specifically set forth in the contract. **(DEAR (e)(5))**

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Article VII,
continued

(6) Commissions, bonuses, and fees (under whatever name) in connection with obtaining or negotiating for a Government contract or a modification thereto, except when paid to bona fide employees or bona fide established selling organizations maintained by the contractor for the purpose of obtaining Government business. **(DEAR (e)(6)) (FAR 31.205-6)**

(7) Contingency reserves, provisions for. **(DEAR (e)(7)) (FAR 31.205-7)**

(8) Contributions and donations, including cash, University-owned property and services, regardless of the recipient. **(DEAR (e)(8)) (FAR 31.205-8)**

(9) Depreciation in excess of that calculated by application of methods approved for use by the Internal Revenue Code of 1954, as amended, including the straight-line, declining balance (using a rate not exceeding twice the rate which would have been used had the depreciation been computed under the straight line method), or sum-of-the-years digits method, on the basis of expected useful life, to the cost of acquisition of the related fixed assets less estimated salvage or residual value at the end of the expected useful life. **(DEAR (e)(9)) (FAR 31.205-11)**

(10) Dividend provisions or payments and, in the case of sole proprietors and partners, distributions of profit. **(DEAR (e)(10))**

(11) Entertainment, including costs of amusement, diversion, social activities; and directly associated costs such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities; costs of membership in any social, dining or country club or organization, except the costs of such recreational activities for on-site employees as may be approved by the Contracting Officer or provided for elsewhere in this contract. **(DEAR (e)(11)) (FAR 31.205-13 & 31.205-14)**

(12)(i) Fines or penalties caused directly by bad faith or willful misconduct on the part of some officer or officers of the Regents of the University of California or any person acting as Laboratory Director; or

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Article VII,
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(ii) Criminal penalties assessed pursuant to 223(c) of the Atomic Energy Act of 1954, as amended (42 U.S.C. \approx 2273(c)) and as provided for in Article XVII, Clause 2(j), "Nuclear Indemnity Agreement," of this contract. **(DEAR (e)(12)) (FAR 31.205-15)**

(13) Government-furnished property, except to the extent that cash payment therefor is required pursuant to procedures of DOE applicable to transfers of such property to the University from others. **(DEAR (e)(13))**

(14) Insurance (including any provisions of a self-insurance reserve) on any person where the University under the insurance policy is the beneficiary, directly or indirectly, and insurance against loss of or damage to Government property as defined in Article IX, Clause 1, "Property," of this contract. **(DEAR (e)(14)) (FAR 31.205-19)**

(15) Interest, however represented (except (i) interest incurred in compliance with Article VII, Clause 14, "State and Local Taxes," of this contract, or, (ii) imputed interest costs relating to leases classified and accounted for as capital leases under generally accepted accounting principles (GAAP), provided that the decision to enter into a capital leasing arrangement has been specifically authorized and approved by the DOE in accordance with applicable procedures and such interest costs are recorded in an appropriately specified DOE account established for such purpose), bond discounts and expenses, and costs of financing and refinancing operations. **(DEAR (e)(15)) (FAR 31.205-20)**

(16) Legal, accounting, and consulting services costs incurred in connection with: the preparation and issuance of stock, rights, organization or reorganization; the prosecution of judicial or administrative proceedings against the United States or the defense of judicial or administrative proceedings and investigations under the Major Fraud Act into alleged violations of statutes or regulation (as those terms are used in the Major Fraud Act) by the United States against the University, except as permitted by the Equal Access to Justice Act (28 U.S.C. \approx 2412 and 5 U.S.C. \approx 504) and the Major Fraud Act (41 U.S.C. \approx 256) and except as otherwise approved by the Contracting Officer; and the prosecution of patent infringement litigation, except where incurred pursuant to the Litigation and Claims clause of this contract.

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Article VII,
continued

(16, continued) This provision shall not be applicable to costs incurred by the University in fulfillment of its responsibilities under this contract in normal, routine or informal interactions such as routine inspections, audits, and reviews of work by sponsors, with a state or the federal government. **(DEAR (e)(16) wording is different)** (*FAR 31.205-33 & 31.205-47*)

(17) Losses (including litigation expenses, Counsel fees, and settlements) on, or arising from the sale, exchange, or abandonment of capital assets, including investments; losses on other contracts, including the University's contributed portion under cost-sharing contracts; losses in connection with price reductions to and discount purchases by employees (excluding losses arising from the cost of operating cafeteria and food service operations) and other from any source; and losses where such losses or expenses: **(DEAR (e)(17))** (*FAR 31.205-3 & 31.205-16 & 31.205-23*)

(i) Are compensated for by insurance or otherwise or which would have been compensated by insurance required by law or by written direction of the Contracting Officer but which the University failed to procure or maintain through the fault of some officer or officers of The Regents of the University of California or any person acting as Laboratory Director;

(ii) Result from willful misconduct or lack of good faith on the part of some officer or officers of The Regents of the University of California or any person acting as Laboratory Director;

(iii) Represent liabilities to third persons from which the contractor has expressly accepted responsibility under other terms of this contract.

(18) Maintenance, depreciation, and other costs incidental to the contractor's idle or excess facilities (including machinery and equipment), other than reasonable standby facilities. **(DEAR (e)(18))** (*FAR 31.205-17*)

(19) Membership in trade, business, and professional organizations, except as approved by the Contracting Officer. **(DEAR (e)(19))** (*FAR 31.205-43(a) is allowable*)

(20) Precontract costs, except as expressly made allowable under the provisions in this contract. **(DEAR (e)(20))** (*FAR 31.205-32*)

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Article VII,
continued

(21) (Not applicable)

(22) (Not applicable)

(23) (Not applicable)

(24) Taxes, fees, and charges in connection with financing, refinancing, or refunding operations, including listing of securities on exchanges, taxes which are paid contrary to Article VII, Clause 14, "State and Local Taxes" (provided that the Government's recovery of state and local taxes inadvertently paid shall be limited to any refund action pursued at the direction of the Contracting Officer), federal taxes on net income and excess profits, special assessments on land which represent capital improvement and taxes on accumulated funding deficiencies of, or prohibited transactions involving, employee deferred compensation plans pursuant to Section 4971 or Section 4975 of the Internal Revenue Code of 1954, as amended, respectively. **(DEAR (e)(24))** (*FAR 31.205-6(k) & 31.205-10 & 31.205-20 & 31.205-41*)

(25) Travel expenses of the officers, proprietors, executives, administrative heads and other employees of the University's central office or branch office organizations concerned with the general management, supervision, and conduct of the University's business as a whole, except to the extent that particular travel is in connection with the contract or approved by the Contracting Officer. **(DEAR (e)(25))** (*FAR 31.205-46*)

(26) Salary or other compensation (and expenses related thereto) of any individual employed under this contract as a consultant or in another comparable employment capacity who is an employee of another organization and concurrently performing work on a full-time annual basis for that organization under a cost-type contract with DOE, except to the extent that cash payment therefor is required pursuant to the provisions of this contract or procedure of DOE applicable to the borrowing of such an individual from another cost-type contractor. **(DEAR (e)(26))** (*FAR 31.205-33*)

(27) (Not applicable)

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continued

(28) Special construction industry "funds" financed by employer contributions for such purposes as methods and materials research, public and industry relations, market development, and disaster relief, except as specifically provided elsewhere in this contract. **(DEAR (e)(28))** (*FAR 31.205-1 & 31.205-12*)

(29) Late premium payment charges related to employee deferred compensation plan insurance. **(DEAR (e)(29))** (*FAR 31.205-19(g)*)

(30) Facilities capital cost of money. (CAS 414 and CAS 417). **(DEAR (e)(30))** (*FAR 31.205-10*)

(31) Cost incurred to influence (directly or indirectly) legislative action on any matter pending before Congress or a State legislature as delineated in Article VII, Clause 16, "Legislative Lobbying Cost Prohibition," of this contract. **(DEAR (e)(31))** (*FAR 31.205-22*)

(32) Commercial automobile rental expenses (exclusive of employee automobile rental while on travel, or short term use not to exceed 60 days) unless approved by the Contracting Officer. **(DEAR (e)(32) doesn't include the statement in parentheses.)**

(33) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of any false certification) brought by the Government where the University, its agents or employees, has pleaded *nolo contendere* to a charge of fraud or similar proceeding or where such charge results in a judgment or a conviction; provided, however, that such costs incurred in defense of a civil fraud or similar proceeding brought against an employee or agent shall be allowable in accordance with Article XVII, Clause 1, "Litigation and Claims." **(DEAR (e)(33) different wording)** (*FAR 31.205-47*)

(34) Costs of alcoholic beverages. **(DEAR (e)(34))** (*FAR 31.205-51*)

(35) (Not applicable)

(36) Cost of attendance at any meeting or conference which the Contracting Officer may determine to be unallocable or unreasonable for application to this contract. **(Added, not in DEAR)** (*FAR 31.205-43*)

Index of the UC Contract, Article VII, Financial Management, Cross Referenced with the DEAR and the FAR

Subject	Contract	DEAR	FAR 31.205-
Accounting consulting services (allowable)	(d)(3)	(d)(3)	-33
Accounting consulting services (unallowable)	(e)(16)	(e)(16)	-33
Advertising and public relations (allowable)	(e)(1)(i-iv)	(e)(1)(i-iv)	-1
Advertising to promote (unallowable)	(e)(1)	(e)(1)	-1
Advertising to recruit personnel (allowable)	(d)(8)(vi)	(d)(8)(vi)	-1(d)(1)(i)
Alcoholic beverages costs (unallowable)	(e)(34)	(e)(34)	-51
Amusements costs (unallowable)	(e)(11)	(e)(11)	-14
Audio presentations of Lab achievements (allowable)	(e)(1) at end	not addressed	-1
Bad debts (unallowable)	(e)(2)	(e)(2)	-3
Bank accounts (allowable)	(d)(15)	(d)(15)	not addressed
Binders - with UC or Lab name or logo (allowable)	(e)(1) at end	not addressed	-1
Bonds and insurance (allowable)	(d)(1)	(d)(1)	-4 & -19
Bonuses (allowable)	(d)(8)(i)	(d)(8)(i)	-6
Bonuses (unallowable)	(e)(4) & (6)	(e)(4) & (6)	-6
Branch UC office expenses (unallowable)	(e)(5)	(e)(5)	not addressed
Buttons identifying employees (allowable)	(e)(1) at end	not addressed	-1
Buttons re Lab programs (allowable)	(e)(1) at end	not addressed	-1
Cablegrams (allowable)	(d)(2)	(d)(2)	not
addressed			
Cafeteria - plant-site (allowable)	(d)(23)	(d)(8)(vii)	-13
Camp operations (allowable)	(d)(16)	(d)(16)	not addressed
Canteens (allowable)	(d)(23)	(d)(8)(vii)	-13
Capital assets - losses (unallowable)	(e)(17)	(e)(17)	-16
Central UC office expenses (unallowable)	(e)(5)	(e)(5)	not addressed
Claims expenses (allowable)	(d)(4)	(d)(4)	-47
Clean-up of sites/facilities (allowable)	(d)(9)	(d)(9)	-31
Commercial auto rental expenses (unallowable)	(e)(32)	(e)(32)	not addressed
Commissions (unallowable)	(e)(6)	(e)(6)	-6
Communication costs (allowable)	(d)(2)	(d)(2)	not addressed
Conference attendance (unallowable)	(e)(36)	not addressed	-43
Construction industry "fund" use (unallowable)	(e)(28)	(e)(28)	-1 & -12
Consulting service related expenses (allowable)	(d)(3)	(d)(3)	-33
Consulting service related expenses (unallowable)	(e)(16)	(e)(16)	-33
Consulting services (allowable)	(d)(3)	(d)(3)	-33 & -47
Consulting services (unallowable)	(e)(16)	(e)(16)	-33 & -47
Contingency reserves (unallowable)	(e)(7)	(e)(7)	-7

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Index of the UC Contract, Article VII, Financial Management, Cross Referenced with the DEAR and the FAR

Subject	Contract	DEAR	FAR 31.205-
Contracts - losses (unallowable)	(e)(17)	(e)(17)	-23
Contributions (unallowable)	(e)(8)	(e)(8)	-8
Costs - excess facilities (unallowable)	(e)(18)	(e)(18)	-17
Costs - idle facilities (unallowable)	(e)(18)	(e)(18)	-17
Costs - standby facilities (allowable)	(e)(18)	(e)(18)	-17
Costs of proposals, except WFO prgm (unallowable)	(e)(3)	(e)(3)	-18
Criminal penalties (unallowable)	(e)(12)(ii)	(e)(12)(ii)	-15
Defense of civil fraud proceedings (unallowable)	(e)(33)	(e)(33)	-47
Defense of criminal fraud proceedings (unallowable)	(e)(33)	(e)(33)	-47
Depreciation (unallowable)	(e)(9)	(e)(9)	-11
Depreciation - excess facilities (unallowable)	(e)(18)	(e)(18)	-17
Depreciation - idle facilities (unallowable)	(e)(18)	(e)(18)	-17
Depreciation - standby facilities (allowable)	(e)(18)	(e)(18)	-17
Dining rooms (allowable)	(d)(23)	(d)(8)(vii)	-13
Displays - with UC or Lab name or logo (allowable)	(e)(1) at end	not addressed	-1
Disposal of property (allowable)	(d)(9)	(d)(9)	-16
Diversion costs (unallowable)	(e)(11)	(e)(11)	-14
Dividend provision/payments (unallowable)	(e)(10)	(e)(10)	not addressed
Donations (unallowable)	(e)(8)	(e)(8)	-8
Electricity (allowable)	(d)(13)	(d)(13)	not addressed
Employee assistance programs (allowable)	(d)(22)	(d)(8)(iv)	-13
Employee benefits (allowable)	(d)(8)(ii)	(d)(8)(ii)	-6(j)
Employee relations (allowable)	(d)(8)(iv)	(d)(8)(iv)	-13 & -21
Entertainment (unallowable)	(e)(11)	(e)(11)	-14
Equipment and expenses (allowable)	(d)(6)	(d)(6)	-26
Excess facilities - maint, depr, costs (unallowable)	(e)(18)	(e)(18)	-17
Expenses of collection (unallowable)	(e)(2)	(e)(2)	-3
Facilities capital cost of money (unallowable)	(e)(30)	(e)(30)	-10
Fees (and taxes) (allowable)	(d)(12)	(d)(12)	-41
Fees (and taxes) (unallowable)	(e)(24)	(e)(24)	-41
Fees (unallowable)	(e)(6)	(e)(6)	-6
Films of Lab achievements (allowable)	(e)(1) at end	not addressed	-1
Financing charges (unallowable)	(e)(24)	(e)(24)	-10 & -20
Fines and penalties (allowable)	(d)(21)	not addressed	-15
Fines or penalties (unallowable)	(e)(12)(i)	(e)(12)(i)	-15
Freight transportation (allowable)	(d)(6)	(d)(6)	-45
Gas services (allowable)	(d)(13)	(d)(13)	not addressed

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Subject	Contract	DEAR	FAR 31.205-
Government furnished property (unallowable)	(e)(13)	(e)(13)	not addressed
Gratuities for entertainment (unallowable)	(e)(11)	(e)(11)	-14
Idle facilities - maint, depr, costs (unallowable)	(e)(18)	(e)(18)	-17
Indemnification-pension plan (allowable)	(d)(14)	(d)(14)	-6(j)(3)(iv)
Inspection (allowable)	(d)(9) & (17)	(d)(9) & (17)	
Insurance (and bonds) (allowable)	(d)(1)	(d)(1)	-4, -19
Insurance, where UC is beneficiary (unallowable)	(e)(14)	(e)(14)	-19
Interest (allowable)	(e)(15)	(e)(15)	-20
Interest (unallowable)	(e)(15)	(e)(15)	-20
Investments - losses (unallowable)	(e)(17)	(e)(17)	-3
Judgments (allowable)	(d)(4)	(d)(4)	-47
Late prem pymt chgs (Def Comp Ins) (unallowable)	(e)(29)	(e)(29)	-19(g)
Legal consulting services (allowable)	(d)(3)	(d)(3)	-33, -47
Legal consulting services (unallowable)	(e)(16)	(e)(16)	-33, -47
Listing securities on exchanges (unallowable)	(3)(24)	(e)(24)	not addressed
Litigation and claims expenses (allowable)	(d)(4)	(d)(4)	-47
Litigation costs (allowable)	(d)(4)	(d)(4)	-47
Lobbying costs (unallowable)	(e)(31)	(e)(31)	-22
Local and long-distance calls (allowable)	(d)(2)	(d)(2)	not addressed
Lodging for entertainment (unallowable)	(e)(11)	(e)(11)	-14
Losses (unallowable)	(e)(17)	(e)(17)	-3, -16, -
23			
Losses - capital assets (unallowable)	(e)(17)	(e)(17)	-16
Losses - contracts (unallowable)	(e)(17)	(e)(17)	-23
Losses - investments (unallowable)	(e)(17)	(e)(17)	-3
Losses and expenses (allowable)	(d)(5)	(d)(5)	-16 & -23
Maintenance (allowable)	(d)(9) & (17)	(d)(9) & (17)	-24
Maintenance - excess facilities (unallowable)	(e)(18)	(e)(18)	-17
Maintenance - idle facilities (unallowable)	(e)(18)	(e)(18)	-17
Maintenance - standby facilities (allowable)	(e)(18)	(e)(18)	-17
Management and operation (allowable)	(d)(19)	not addressed	not addressed
Materials and expenses (allowable)	(d)(6)	(d)(6)	-26
Meals for entertainment (unallowable)	(e)(11)	(e)(11)	-14
Meeting attendance (unallowable)	(e)(36)	not addressed	-43
Memberships - business organizations (unallowable)	(e)(19)	(e)(19)	-43(a) allowable
Memberships - civic organizations (unallowable)	(e)(1)	(e)(1)	-1
Memberships - community orgs (unallowable)	(e)(1)	(e)(1)	-1
Memberships - country club or org (unallowable)	(e)(11)	(e)(11)	-14

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Subject	Contract	DEAR	FAR 31.205-
Memberships - dining club or org (unallowable)	(e)(11)	(e)(11)	-14
Memberships - professional organiz (unallowable)	(e)(19)	(e)(19)	-43(a) allowable
Memberships - social club or org (unallowable)	(e)(11)	(e)(11)	-14
Memberships - trade organizations (unallowable)	(e)(19)	(e)(19)	-43(a) allowable
Models of Lab achievements (allowable)	(e)(1) at end	not addressed	-1
Museum operations (allowable)	(e)(1) at end	not addressed	-1
Patents and purchased design (allowable)	(d)(7)	(d)(7)	-30
Penalties - criminal (unallowable)	(e)(12)(ii)	(e)(12)(ii)	-15
Penalties or fines (unallowable)	(e)(12)(i)	(e)(12)(i)	-15
Pens - with UC or Lab name or logo (allowable)	(e)(1) at end	not addressed	-1
Postage (allowable)	(d)(2)	(d)(2)	not addressed
Precontract costs (unallowable)	(e)(20)	(e)(20)	-32
Presentations re course of Lab work (allowable)	(e)(1) at end	not addressed	-1
Procurements from UC (allowable)	(d)(10)	(d)(10)	-26
Promotional items (unallowable)	(e)(1)	(e)(1)	-1
Property - government-furnished (unallowable)	(e)(13)	(e)(13)	not addressed
Proposal exps, except WFO program (unallowable)	(e)(3)	(e)(3)	-18
Provisions for bad debts (unallowable)	(e)(2)	(e)(2)	-3
Provisions for contingency reserves (unallowable)	(e)(7)	(e)(7)	-7
Public access centers (allowable)	(e)(1) at end	not addressed	-1
Public relations to promote (unallowable)	(e)(1)	(e)(1)	-1
Purchase orders (allowable)	(d)(10)	(d)(10)	-26
Recreational activities for on-site empl (allowable)	(e)(11)	(e)(11)	-13
Recruitment of personnel (allowable)	(d)(8)(vi)	(d)(8)(vi)	-34
Refinancing charges (unallowable)	(e)(24)	(e)(24)	-10 & -20
Rentals (allowable)	(d)(18)	(d)(18)	-36
Rentals for entertainment (unallowable)	(e)(11)	(e)(11)	-14
Repairs (allowable)	(d)(9) & (17)	(d)(9) & (17)	-24
Replacement (allowable)	(d)(9) & (17)	(d)(9) & (17)	-16
Research and support (allowable)	(d)(20)	not addressed	-18
Reserves for contingencies (unallowable)	(e)(7)	(e)(7)	-7
Restoration of sites/facilities (allowable)	(d)(9)	(d)(9)	-31
Royalty payments (allowable)	(d)(7)	(d)(7)	-37
Salaries and wages (allowable)	(d)(8)(i)	(d)(8)(i)	-6
Salary - consultant concurrent work (unallowable)	(e)(26)	(e)(26)	-33
Sewerage services (allowable)	(d)(13)	(d)(13)	not addressed
Show tickets (unallowable)	(e)(11)	(e)(11)	-14

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Subject	Contract	DEAR	FAR 31.205-
Social activity costs (unallowable)	(e)(11)	(e)(11)	-14
Sporting event tickets (unallowable)	(e)(11)	(e)(11)	-14
Standby facilities - maint, depr, costs (allowable)	(e)(18)	(e)(18)	-17
Subcontracts (allowable)	(d)(10)	(d)(10)	-26
Subscriptions to periodicals (allowable)	(d)(11)	(d)(11)	-43(b)
Supplies and expenses (allowable)	(d)(6)	(d)(6)	-26
Taxes and fees (allowable)	(d)(12)	(d)(12)	-41
Taxes and fees (unallowable)	(e)(24)	(e)(24)	-41
Telegrams (allowable)	(d)(2)	(d)(2)	not addressed
Telephone services (allowable)	(d)(2)	(d)(2)	not addressed
Training (allowable)	(d)(8)(v)	(d)(8)(v)	-44
Transportation (allowable)	(d)(17)	(d)(17)	-45
Transportation for entertainment (unallowable)	(e)(11)	(e)(11)	-14
Travel (allowable)	(d)(8)(iii)	(d)(8)(iii)	-46
Travel expenses - UC branch offices (unallowable)	(e)(25)	(e)(25)	-46
Travel expenses - UC central office (unallowable)	(e)(25)	(e)(25)	-46
Utility services (allowable)	(d)(13)	(d)(13)	not addressed
Videos of Lab achievements (allowable)	(e)(1) at end	not addressed	-1
Water services (allowable)	(d)(13)	(d)(13)	not addressed

Tax Exempt Transaction Certificates

Introduction When a purchase is made from a vendor who requests the Laboratory's New Mexico Non-Taxable Transaction Certificate (NM NTTC), the Purchase Card user, contract specialist, or Accounts Payable employee follows the procedure below.

Policy The following procedure and form are to be used when a vendor requests a tax exempt certificate to justify the deduction of the Laboratory's purchase from their Gross Receipts Tax payment requirements.

Procedure The following steps are to be completed to facilitate the issuance of an NM NTTC:

Step	Action
1	The vendor requests the Laboratory's tax exempt certificate.
2	The Purchase Card user, contract specialist, or A/P employee explains to the vendor that the state issues a series of certificates to the Laboratory, and we complete each unique certificate based on the information provided by the vendor.
3	The Purchase Card user, contract specialist, or A/P employee obtains from the vendor the information on the following <i>NM NTTC Request Form</i> (while the vendor remains on the phone, if desired).
4	The completed <i>NM NTTC Request Form</i> is faxed to the BUS-1, A/P financial clerk.
5	The A/P financial clerk reviews the listing of vendors who previously have been sent one of the Laboratory's certificates. If the vendor has been sent an NM NTTC, the A/P financial clerk faxes them a copy of the certificate on file and asks if they need another hardcopy of the certificate.
6	If the vendor has not been sent one of the Laboratory's certificates, the A/P financial clerk issues an NM NTTC, faxes a copy of it to the vendor, and sends the hardcopy certificate to the vendor via the US Postal Service.

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New Mexico Non-Taxable Transaction Certificate (NM NTTC) Request Form

In New Mexico, a tax exempt certificate is not issued to a purchaser (the Laboratory). Instead, a series of certificates are issued to the Laboratory, and a unique certificate is issued by the Laboratory to each vendor. This completed form is to be faxed to: **Claire Harmon, BUS-1, fax 5-8357, phone 7-3287.**

Vendor's Company Name (as Registered with Tax Authorities)

Vendor's New Mexico CRS ID Number

or

Vendor's Federal ID Number or
Vendor's Social Security Number

Vendor's Mailing Address

Vendor's City and State

Vendor's Zip Code

Vendor Contact Requesting NM NTTC and/or Receiving NM NTTC

Vendor Contact's Phone Number and Vendor's Fax Number for Certificate Issuance

Any Vendor-Required Reference Information (e.g., Invoice or Customer Number)

Laboratory NM NTTC Requester's Name and Phone Number (e.g., Contract Specialist, Purchase Card User, or Accounts Payable Employee)

Accruing Costs

Introduction Accruing costs refers to the process of recording costs as soon as the materials are received or the services are rendered rather than on the payment of the bills. The Purchasing, Accepting, Inventorying, Dispersing (PAID) system is used by A/P to accrue costs, as well as to record and pay invoices. There are several factors that determine the way in which a cost can or will be accrued. The Accruing Costs section provides guidance on how various costs are to be handled by the A/P Team.

Policy Costs will be accrued using the guidance and forms provided herein.

Criteria for order costing in PAID If the item in question is a receivable and coded with a "1" code, it will be costed upon receipt at BUS-4, Materials Management, Receiving.

As long as the order in question is placed and the item(s) is received by September 30th, it will be costed with that fiscal year's money.

If the cost in question is for a service contract and an invoice is received by September 30th, it will be costed with that fiscal year's money.

If the item was shipped but not received before September 30th and the contract covering the item ordered is FOB shipping point (meaning the Laboratory takes possession when the item is shipped), the requester can write a memo to accrue the cost with that fiscal year's money.

If services have been provided but the Laboratory has not been billed, the requester can write a memo to accrue the cost with that fiscal year's money.

If the vendor is custom-building an item or a construction project, the requester can accrue the percentage of the item of project that has been completed by September 30th. For instance, if the project is for \$100,000 and it is 50% complete on September 30th, \$50,000 can be accrued.

If a Laboratory Purchase Card user has placed an order and the order has been shipped before September 30th but the cost will be on a statement received after September 30th, the Purchase Card user may have the cost accrued (refer to the *Credit Card Accrual Form*, below).

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Request for Fiscal Year-End Accrual

To: Robin Gurule, BUS-1, MS P240

Through: Program BTL _____

Through: Division BTL _____

From: Requester _____

Date: _____

Please accrue the following costs:

PO# _____ Task Order# _____

Vendor _____

Item Description _____

Amount _____

Justification for accrual:

- ☐ Vendor has estimated these expenses were incurred since the last invoice.
- ☐ Item was shipped FOB shipping point before September 30th and has not been received by the Laboratory.
- ☐ Custom fabrication or construction project is partially complete. Vendor has estimated percentage of completion to be ____%.

FOR BUDGET ANALYSTS' USE:

Amount of Accrual	
With Procurement Tax:	
With Group Support:	
With Division Support:	
With G&A:	
Prog Code/CA/WP:	

Credit Card Accrual Form

To: Robin Gurule, BUS-1, MS P240

Through: Program BTL _____

Through: Division BTL _____

From: Requester _____

Date: _____

The following charges have been placed against my Laboratory Purchase Card since the September statement:

Vendor	Item Description	Cost Center	Program Code	Work Package	Cost Account	Dollar Amount
Total						

(Total by program code must be greater than \$2,000.)

(Must be received by September 26th.)
